

Minutes of Waukesha County Airport Operations Commission

March 9, 2011

Chairman Crowley called the meeting to order at 8:02 a.m. Commissioner Falstad will be attending shortly.

Commissioners Present: Bluemke, Schoepke, and Falstad. Absent: Richards.

Others Present: Kurt Stanich, Airport Operations; Val Ramos, Airport Administration; Harry Becker, Atlantic Aviation; Jim Singer, Flight for Life; Ray Dalman, Atlantic Aviation; Samuel Cryer, PlaneSafe Aircraft Maintenance; Vince Masterson, Waukesha County; Allison Bussler, Waukesha County; Vince Freeborn, Flight For Life and Keith Markano, Airport Manager.

Approve modify minutes of Minutes of January 12, 2011

Bluemke moved with second by Schoepke to approve the January 12, 2011 minutes. Motion passed.

Public Comment/Correspondence - None

Discussion and action on hangar application, 620E Northview Road (Rob McMasters) -

Markano – Because there was a waiting list prior to Phase II development of the southeast hangar area, the Commission revised the application process to allow the applicant 30 days from approval to execute a Lease Option Agreement with the County. Prior to the McMasters application someone else did show interest in this lot but never followed through on it. The application received by Mr. McMasters is in order.

Crowley – Date on application is 8/24/10, is this correct?

Stanich – Yes. Mr. McMasters hired a builder but was having problems getting designs and plans from the builder so he requested to put a hold until he could find another builder. He has contracted with a new builder and is now ready to move forward with hangar construction.

Crowley – Should a new application with a current date be completed?

Stanich – A new application can be completed.. Will this hold up the approval process?

Markano - The application can be approved subject to current date on submitted application.

Schoepke moved with second by Bluemke to approve Mr. McMasters hangar application subject to current date on his application. Motion passed.

Discussion and action on a height limitation variance request from Payne & Dolan (U S Cellular) for a tower at W230 N233 Wolf Road –

Markano – Brief update on this item. There were two towers out in this area, the A&R Pipeline and Payne & Dolan Tower (U S Cellular has their equipment on this tower). In August of 2008 U S Cellular requested the Commission for a variance of the HLZO by 120 feet to allow the tower to remain at 172 feet. The original tower was constructed in 1987 without a permit at 172 feet AGL and penetrated the HLZO by 32 feet. The Commission recommended against granting the variance to the Board of Adjustment. The Board of Adjustment denied the request. Now, U. S Cellular has come in with a new application to deconstruct segments of the tower, but this will still place the tower 21 feet above the floor of the HLZO. As part of the State's Grant Assurances the airport must maintain clear and safe runway approaches. In Trans 55.06 (Conditions of state aid to airports), there is a requirement that the airport develop and implement a HLZO. There are also Federal assurances that the airport take appropriate action to protect terminal airspace for instrument and visual operations and to mitigate existing airport hazards and prevent establishment or creation of future airport hazards. Even though the structure is lowered it still penetrates the airport HLZO and it is contradictory to the grant assurances to recommend this variance to the Board of Adjustment in this particular case.

Schoepke – Does U.S. Cellular have a strong case for this variance? Did the FAA authorize this tower?

Markano - Originally U.S. Cellular received a Determination of No Hazard from the FAA. But, the FAA bases their determination of no hazard on generalities, not specifics. Each airport has their own HLZO based on specifics of the airport (runway use, length of runway, etc.). That is why the airport HLZO is for the specifics of each end of the runways.

Crowley – Where does Seventh Circuit Court of Appeals mediation stand?

Markano – This is still in mediation with no determination.

Crowley – Based on the information provided by Mr. Markano and that the structure is still penetrating the HLZO by 21 feet, the recommendation would be to deny the variance request by U.S. Cellular.

Schoepke moved with second by Bluemke to deny variance request by U.S. Cellular. Motion passed.

8:21 a.m. - Commission Falstad arrived at meeting.

Discussion and action on airport signage

Stanich – Contacted City and County departments for rules/regulations on posting directional signs to the airport on City and County right of ways. Gary Evans, Public Works, came out to the airport and designed a map with location of the airport signs. The plan is to direct traffic from the two exits off I-94 closest to the airport (Grandview or T and the other Hwy 164/294). A total of seven signs will be posted: four general signs with an airplane and three (donated by Atlantic Aviation) reading “Executive Terminal”. The only sign requiring City approval is the sign at the intersection of Northview and Delafield streets. Once the approval goes forward by the Commission, Mike Grulke of Public Works, will forward this to the City for their approval. The “Executive Terminal” signs will be temporary until Parks and Land Use project goes through and then an official more upscale “Waukesha County Airport” sign will be placed at the entrance of Aviation Drive and Hwy T. Total cost of the project will be \$600 including labor by the County Highway department to put up the signs. The County saved money thanks to Atlantic Aviation for donating their signs. Seeking approval and feedback from the Commission on this project.

Bluemke – Would like to see a sign at the Bluemound Road and Hwy J intersection to turn left on Hwy J if coming from the east. Excellent job by Mr. Stanich and Public Works.

Stanich – A sign can be posted at that intersection.

Markano - The directional signs will make it easier to find (access) the airport

Falstad moved with second by Schoepke to approve signage project with additional sign at intersection of Bluemound Road and Hwy J. Motion passed.

Chairman Crowley expressed his appreciation to Mr. Markano, Mr. Stanich and Mr. Becker of Atlantic Aviation.

Discussion and action on self-serve fueling

Crowley – There is no action on this agenda item, it is discussion only. The audience is welcome to comment on this item.

Markano – Commissioners were e-mailed response to their questions on self-serve fueling prior to the meeting for review. Director of Public Works, Allison Bussler asked Mr. Markano to create a Break Even Projection on a Self-Serve facility (see attached). Research made by contacting airports, Air BP, Mead & Hunt engineers, Leslie Williams of Parks and Land Use with the County, and other available resources. The Commission received a detailed breakdown of this projection by Mr. Markano. A 12,000 gallon is the most optimal for a self-serve facility.

Schoepke – Where would the lot be for this facility?

Markano – Any of the terminal lots to the west of the Atlantic Aviation hangar towards the end further out of the Safro Hangar (2651 Aviation Drive).

Markano continued to review the projection costs. Bottom line is there would be lost revenue using this facility. Mr. Markano looked at this in another manner. In recent years most self-serve facilities have gone in at smaller general aviation airports. In 2003, as part of the FAA Authorization Bill, Vision 100, Congress made available to each general aviation airport \$150,000 a year as GA entitlements. The FAA made the entitlements available for revenue producing assets, specifically fuel farms and hangars. But with the caveat that you could not have any priority airside, safety projects or pavement projects in your plan for several years. This is the reason these facilities went in at those airports because they did not have any priority projects during that time. These tanks were funded at 2.5 cents on the dollar. Even if you brought it down and said system was paid for in that fashion the break even cost is still about 105,000 gallons a year.

Bluemke – Is the airport considered a medium general aviation.

Markano – No, the airport is considered a large aviation. Four airports were contacted and only two went on record, Wittman and Waukegan. Several years ago Waukegan had a reconstruction of their fueling facilities and added a self-serve. Waukegan's self-serve volume is in the single digits percentage wise. At Wittman the tank is used mostly as an extension of the fuel farm to load their mobile fuelers. One of the airports that did not want to go on record attempted a scenario where they did a pseudo self-serve fueling with a truck and personnel available to assist. There was no interest in this service. This was done at an airport similar to Waukesha with a mix of more jets and smaller aircraft. It seems that for the small rural airports that can receive the FAA funding it makes sense, but for larger aviation airports the return is not there.

Bluemke – Did you check Burlington?

Markano – Burlington put their fuel farm in with federal dollars and their price is the low end outlier. From the 2009 State survey, their volume was 100,000.

Schoepke – This is a niche market for small airports.

Markano – Yes, they can use their GA entitlement dollars to upfront the cost for installation to meet all of the requirements.

Bluemke – Burlington sold 100,000 gallons. They sell both Jet A and 100 LL.

Markano – They sold 40,000 gallons of Jet A and 100,000 gallons of 100 LL.

Bluemke – Burlington is a small airport and they sold a lot of low lead.

Markano – In Burlington's category for medium GA the next closest in volume was Watertown at 63,000 gallons. Burlington's fuel price was significantly below the average fuel price.

Bluemke – There is no question if you look at the figures in the break even projection that self-serve is just not practical.

Schoepke – There is no way to stop the erosion of the market going elsewhere to the smaller airports. The smaller airports can provide this service because, they do not have the red tape large GA airports need to follow.

Markano - The large GA airports have other major projects that take precedent before providing self-serve fueling.

Bluemke – The airport cannot do this if it is using government money but if an individual is interested in providing this service at the airport this has no bearing at all.

Markano – Yes, that is right.

Bluemke – If someone wanted to come in to provide this service and there was a way to do it, this would not apply?

Crowley – The numbers would be reasonable to work with but the upfront cost is big and it would take years before they would see a return. If there is a desire to provide this service, you look at the feasibility analysis and it does not look very desirable for someone interested in pursuing this service. There is also the County Ordinance in place and to pursue this further would require County Board approval. To do this would require much in this process in order to be compliant with what the County would require. If Atlantic Aviation was interested, they would have brought it to the Commission's attention. This does not seem reasonable for a private entity because of the expense to provide this service.

Bluemke – Question is how important is self-serve to the airport? For some time this seemed to be very important, now we have this information before us and it is obvious it would be very difficult. Does the difficulty outweigh the need and is there truly a need for this service?

Markano – Waukegan did this because there was an interest to provide this service. Ultimately this was done, and then no one used the service.

Crowley – What started this interest was the rising fuel cost and no competition. The FBO was offering a discount for users if they taxied to the ramp. What could be done to attract competition? If users were not taxing up to ramp for discount, would they use self-serve? There was no interest from Atlantic or the County to provide self-serve. Then a private entity questioned what the process was to provide self-serve at the airport. At the time there was nothing in place to provide information for someone interested in self-serve.

Schoepke – Feedback from airport survey was that users wanted self-serve. The information provided today by Mr. Markano is very valuable and outlines how costly this would be for an individual interested in providing this service at the airport. Mr. Markano did an excellent job and the Commission appreciates his work/research on this subject.

Samuel Cryer – Two years ago people were complaining about high fuel prices and flying out to other airports for less expensive fuel. Offering self-serve at the airport would not make a difference. People are creatures of habit, if someone wants to fly out to a certain airport for fuel will continue to do so. Another point, that Keith alluded to, is that a mandate for unleaded fuel for aircraft is coming. That will be a big factor for all small self-serve areas. It is hard to say what this fuel will do to their equipment. Will equipment need upgrading? The research done by Mr. Markano will need updating when it is mandated that everyone use unleaded fuel in planes. Anyone with interest in self-serve would certainly think about this before providing the service.

Falstad – Two years from now if someone does a study on fuel and the numbers make sense to provide self-serve at the airport, could this be done? It is not so much the numbers or the economic feasibility, in talking to a number of people in the County they say it cannot be done. The airport has an FBO and no one else can come in and do this.

Markano – There can always be a second FBO to provide fuel services. The Commission has to make the decision if this is logical and makes sense. Ultimate goal of the airport is to provide the best service to its users. The Commission would prefer one strong FBO and not two weak ones, but cannot bar someone from doing this.

Falstad – If someone wants to provide self-serve are they required to be an FBO and offer all of the services the current FBO offers?

Markano – Yes, that is why there are Minimum Standards, to require a certain level of service. If this is required of one FBO that same level of service is required from another.

Falstad – It is a moot point then if someone goes through the numbers and it economically makes sense to provide self-serve and they go through the self-serve requirement process, then they are told they need to provide the same services of an FBO.

Bluemke – The Minimum Standards were created and have certain characteristics for the airport. Atlantic operates according to the Minimum Standards by providing flight school, engine maintenance, provide fueling, etc. The Standards do not mention anything about self-serve. Does Atlantic provide all of the services mentioned? No, they contract out some of the services. If the Commission felt changes were necessary to the Standards, they would be made and maybe add more requirements of the FBO. If an individual desires to provide self-serve at the airport then this can be addressed by the Commission to change the Minimum Standards.

Falstad – There are people in County government that think self-serve should not be considered and that it is a waste of the Commission's time. The airport cannot permit a new FBO that does not offer everything that Atlantic is offering. If this is the case, then we have just wasted a lot of time on this subject.

Mrs. Bussler – The County did a public strategic planning effort about five or six years ago. There were four focus groups: 1) chief elected official from each municipality; 2) County Board supervisors selected constituents from their districts; 3) random people from the County's jury list; and 4) interested parties (the Chambers) people the County does business with. There was about ninety minutes to educate these groups on County government and then they ranked every service the County provides. The very last service ranked was the Airport. It is important to know that because now in these tight fiscal times it is even more apparent than it was five or six years ago. The main reason is that the average person does not know anything about the airport. They do not use the airport so to them it is not a priority. When informed that GE, Quad/graphics and Fabco thought the airport was important, they changed their answer. Mrs. Bussler brought this up because the reason there is any County subsidy in this is because of economic development and because of the corporates. With the self-serve analysis and if it looks like we may break even, based on other conversations, break even is not good enough because it is too big of a risk and they are looking for a profit. This is why we met with Mr. Markano and asked him to research self-serve and draw up an analysis with figures to show the Commission what we are up against. We also met with Atlantic and asked if they were interested in self-serve and they said no because the numbers do not work. This is the first hurdle. Will the County Board change their mind and allow different Standards? This is the second huge hurdle. This is where the Administration and the County Board is coming from.

Crowley – Thank you to everyone for their comments and to Mr. Markano for his research. This information will be filed in the archives as self-serve research. Looking back on our agenda items and listed was self-serve fueling. This topic has been discussed and as previously mentioned there would be no action on this item as stated on the agenda. In the future if there was interest in self-serve this would be brought to the attention of the Commission for discussion and the research material would be reviewed.

Chairman's Report

Crowley – Next week the airport will be hosting the Network After Five Event in the main terminal building. He will be attending and inviting other Commissioners to attend if possible. Hopefully there will be good weather because some activities will be taking place out on the ramp. Spring City Aviation and Stein Aircraft Services have donated discovery flight certificates for the event.

Airport Manager's Report:

Snow removal – Last week there was sleet and freezing rain on Sunday that caused some problems and did affect some of the airport users. We met with Snow Patrol to discuss the problem and believe the problem will be straightened out and they will be better prepared the next time this type of weather occurs.

Taxiway project – The forms for the Consultant selection process by the Bureau need to be completed and returned by the end of the week. We will meet with the Bureau to go through the selection process.

Airport Sponsor Workshop – The dates for the 5-year capital project planning with the Bureau are March 22-24. We will be attending the workshop in Madison on Thursday, March 24th.

Continuing resolution – This government resolution will run out again this week so they will be working on continuing this resolution. Will keep the Commission informed on changes.

Tower Activity and Fuel reports

Stanich – Both tower and fuel numbers are looking good for January and February.

Mowing – RFP for mowing will be going out for only Terminal areas and Aviation Drive. Public Works/Highway will come out to mow the large areas inside the fence. They have done an awesome job including the tree clearing. This will cut down our cost on fence repair in the future. This Spring a chemical will be laid down that gets rid of weedy and woody vegetation and keeps it down to just grass which will reduce our mowing cost because it will get rid of the weeds.

Networking After Five – This will be fantastic for the airport and the community. There will be a corporate feel to the airport. The corporate and recreational brochures will be available for this event.

Public Relations – There was a great article on wild life at the airport by Mr. Markano. Lake Country reporter called and spoke with Mr. Stanich asking if a commercial airliner could land at the airport. Mr. Stanich replied that in the case of an emergency the airport is open to everybody. The Newsletter will be going out in April, if you would like to add anything please contact Kurt.

Wings Over Waukesha – Event will take place last weekend in August (26,27 & 28). Hopefully the weather will be drier and there will not be very much competition in the area.

Future Agenda Items

Crowley – In past meetings we have carried over sign location and self-serve as agenda items, we can now cross these two off. Next we have naming rights.

Markano – There is a County policy and waiting to hear back from Julianne Klimetz from the County Executive's office.

Mrs. Bussler – County policy is you pay for the entire building for naming rights. There could be discussion to allow changes depending on the building.

Markano – Will see what information Julianne provides for us.

Crowley – Will carry over 501C (donations to the airport) when Secretary Richards is present. Would like to add another agenda item, a restaurant at the airport. How do we go about this, do we advertise?

Schoepke – Recommend a research on this subject similar to the self-serve, come up with numbers and see if this is worth doing/interest for someone to provide this service.

Crowley – This is a great opportunity for someone interested, and would provide extra revenue to the airport. Request Mr. Markano to research this for the Commission.

Future agenda items:

501C

Naming rights

Restaurant

Adjourn

Falstad moved with second by Bluemke to adjourn. Motion carried. Meeting adjourned 9:38 a.m.

Next meeting: Wednesday, April 13, 2011 at 8:00 a.m.

Respectfully submitted,

Michael Crowley
Chairman
March 9, 2011